FILED
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OFFICE OF THE CLERK
SUPREME COURT, U.S.

No. 05-1429

IN THE

Supreme Court of the United States

TRAVELERS CASUALTY & SURETY COMPANY OF AMERICA,

Petitioner,

v.

PACIFIC GAS AND ELECTRIC COMPANY,

Respondent.

ON WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT

SUPPLEMENTAL JOINT APPENDIX

E. JOSHUA ROSENKRANZ
HELLER EHRMAN LLP
Times Square Tower
7 Times Square
New York, NY 10036
(212) 832-8300
Counsel of Record for Respondent

G. ERIC BRUNSTAD JR.
BINGHAM MCCUTCHEN, LLP
One State Street
Hartford, CT 06103
(860) 240-2700
Counsel of Record for Petitioner

PETITION FOR CERTIORARI FILED MAY 8, 2006
CERTIORARI GRANTED OCTOBER 6, 2006

TABLE OF CONTENTS

Page

Proof of Claim of Travelers Casualty and Surety Company of American and Travelers Casualty and Surety Company as Administrator for Reliance Insurance Company for Itself, as Successor in Interest by Merger with United Pacific Insurance Company, and for Related Reliance Insurance Companies, filed December 3, 2001 ..... SJA1

Amended Proof of Claim of Travelers Casualty and Surety Company of American and Travelers Casualty and Surety Company as Administrator for Reliance Insurance Company for Itself, as Successor in Interest by Merger with United Pacific Insurance Company, and for Related Reliance Insurance Companies, filed January 3, 2003 ..... SJA18

B10 (Official Form 10)(4/01)

United States Bankruptcy Court	Northern District of California (San Francisco Division)	PROOF OF CLAIM
Name of Debtor Pacific Gas and Electric Company	Case Number 01-30923 DM	

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 U.S.C. § 503.

Name of Creditor (The person or other entity to whom the debtor owes money or property): **Travelers Casualty and Surety Company of America and Travelers Casualty and Surety Company as Administrator for Reliance Insurance Company for itself, as successor in interest by merger with United Pacific Insurance Company, and for Related Reliance Insurance Companies**	☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.
Name and address where notices should be sent: Susan M. Camilli Travelers Casualty and Surety Company One Constitution Plaza-HO2 Hartford, CT 06183-9062 (860) 277-4273 G. Eric Brunstad, Jr. Bingham Dana LLP One State Street Hartford, CT 06103 (860) 240 2700	☐ Check box if you have never received any notices from the bankruptcy court in this case. ☒ Check box if the address differs from the address on the envelope sent to you by the court. THIS SPACE IS FOR COURT USE ONLY
Account or other number by which creditor identifies debtor:	Check here if this claim ☐ replaces ☐ amends a previously filed claim, dated:

1. Basis for Claim
   - ☐ Goods sold
   - ☐ Services performed
   - ☐ Money loaned
   - ☐ Personal injury/wrongful death
   - ☐ Taxes
   - ☒ Other (See attached Addendum)
   - ☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
   - ☐ Wages, salaries, and compensation (fill out below)

   Your SS #_____
   Unpaid compensation for services performed from _____ (date) to _____ (date)

2. Date debt was incurred:

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $(See attached Addendum)
   If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
   ☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim
   ☐ Check this box if your claim is secured by collateral (including a right of setoff).
   Brief Description of Collateral:
   ☐ Real Estate ☐ Motor Vehicle ☐ Other
   Value of Collateral: $_____

   Amount of arrearage and other charges at time case filed included in secured claim, if any:

   ☒ Unsecured Non-priority Claim $(See Addendum)
   A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

6. Unsecured Priority Claim
   ☒ Check this box if you have an unsecured priority claim
   Amount entitled to priority $ (See attached Addendum)
   Specify the priority of the claim:
   - ☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3).
   - ☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4).
   - ☐ Up to $2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6).
   - ☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7).
   - ☒ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8).
   - ☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(__).

   *Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

7. Credits: The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.

8. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. (See attached Addendum)

9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a self-addressed envelope and copy of this proof of claim.

THIS SPACE IS FOR COURT USE ONLY

Date	Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any):
September 4, 2001	**Travelers Casualty and Surety Company of America and Travelers Casualty and Surety Company as Administrator for Reliance Insurance Company for itself, as successor in interest by merger with United Pacific Insurance Company, and for Related Reliance Insurance Companies** By: Susan M. Camilli **Susan M. Camilli, Claim Counsel**

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

CTDOCS:146207.2

SJA1

ADDENDUM TO PROOF OF CLAIM OF (A) TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA AND (B) TRAVELERS CASUALTY AND SURETY COMPANY AS ADMINISTRATOR FOR RELIANCE INSURANCE COMPANY (1) FOR ITSELF, (2) AS SUCCESSOR IN INTEREST BY MERGER WITH UNITED PACIFIC INSURANCE COMPANY, AND (3) FOR RELATED RELIANCE INSURANCE COMPANIES

1. Susan M. Camilli is Claim Counsel of the Bond Claim Department of Travelers Casualty and Surety Company has a business address of One Constitution Plaza - 14 CZ, Hartford, Connecticut 06183-9062 and is authorized to file this Proof of Claim on behalf of (a) Travelers Casualty and Surety Company of America ("Travelers of America"), and (b) Travelers Casualty and Surety Company as Administrator for Reliance Insurance Company (1) for itself, (2) as successor in interest by merger with United Pacific Insurance Company, and (3) for related Reliance Insurance companies (the "Reliance Entities")(together hereinafter, "Travelers").

2. All notices and other pleadings relating to this Proof of Claim should be addressed as follows:

SJA2

The Travelers Casualty and Surety Company
One Constitution Plaza - 14 CZ
Hartford, CT 06183-9062
Attn.: Susan M. Camilli, Esq.

and

G. Eric Brunstad, Jr., Esq.
Bingham Dana LLP
One State Street
Hartford, CT 06103

3. From time to time prior to the commencement of this case, the Reliance Entities issued certain surety bonds (collectively the "Bonds") to certain obligees with respect to certain obligations of the Debtor to such obligees including, without limitation, those bonds summarized on Exhibit A hereto, which indicate that the Debtor is or may be a principal thereunder. Exhibit A may contain Bonds as to which liability has been extinguished by the obligees, by the terms of the Bond, or by operation of law. Travelers reserves the right to amend Exhibit A to identify and include other Bonds. Attached as Exhibit B is the State of California Department of Industrial Relations Self Insurance bond # B168-61-91. A copy of all other Bonds is available upon request by the Debtor.

4. From time to time prior to the commencement of this case, Travelers of America issued certain surety bonds (collectively the "Bonds") to certain obligees with respect to certain obligations of the Debtor to such obligees including, without limitation, the bond included as Exhibit

C hereto, which indicates that the Debtor is a principal thereunder. Travelers reserves the right to amend Exhibit C to include other Bonds.

5. Travelers may hereafter be required to make payments under the Bonds. As a result of such payments, Travelers will become subrogated to the rights of the obligees against the Debtor with respect to such payments and Travelers has the right to be reimbursed and indemnified by the Debtor with respect to all such payments, whether such payments are made on behalf of the Debtor as a principal or on behalf of another principal under any Bond.

6. Alternatively, the Debtor has executed and delivered certain Continuing Agreements of Indemnity pursuant to which the Debtor is required to pay all premiums and indemnify Travelers, and hold Travelers harmless from and against every claim, demand, liability, cost, charge, suit, judgment and expense incurred by Travelers in connection with, among other things, (1) the furnishing of any Bond or (2) the enforcement of any Continuing Agreement of Indemnity. Additionally, the Debtor has executed and delivered a Specific Indemnity Agreement as relates to the State of California Department of Industrial Relations Self Insurance bond # B168-61-91. Copies of the Continuing Agreements of Indemnity and the Specific Indemnity Agreement are annexed hereto as Exhibit D. Travelers reserves the right to amend Exhibit D to include other indemnity agreements. Travelers asserts herein a claim with respect to the Debtor's obligations to Travelers under both the Continuing Agreements of Indemnity and the Specific Indemnity Agreement.

7. Alternatively, pursuant to Bankruptcy Code 501(b), Travelers submits claims for and on behalf of the obligees named in the Bonds listed in Exhibit A and included in Exhibit C and all other persons who may have claims against the Debtor based upon which Travelers may become obligated to make any payment and/or incur any expense under the Bonds. These claims are entitled to priority in part pursuant to Bankruptcy Code § 507(a)(8).

8. The amount of this claim is unliquidated and contingent as of this date.

9. Travelers reserves the right to assert an administrative claim under 11 U.S.C. § 503 for obligations arising out of the Debtor's postpetition activities and/or Bonds in effect postpetition. Travelers further reserves the right to amend this Proof of Claim as it becomes known, fixed and liquidated, and for other lawful purposes.

10. Travelers claims and asserts any rights of setoff or recoupment to which it may be entitled including without limitation setoff against any obligations which Travelers may have under insurance policies issued by it for or on behalf of the Debtor.

11. The filing of this proof of claim shall not constitute or be construed as an admission by Travelers of any liability or an election by Travelers of any remedy. Travelers reserves all rights and defenses.

12. This proof of claim is in addition to, and not in lieu of, any other proof of claim filed by any Travelers entity.

Mailing Address:
Self-Insurance Plans
3385 Watt Avenue, Suite I
Sacramento, California 95825

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
SELF-INSURANCE PLANS
SURETY BOND OF SELF INSURER OF WORKERS' COMPENSATION
(LABOR CODE SECTION 3701)

IN THE MATTER OF THE CERTIFICATE OF)
)
PACIFIC GAS AND ELECTRIC COMPANY)
P.O. Box 7779)
San Francisco, CA 94120-7779)
)
Employer, Certificate No. 0012)

SURETY BOND
NO. B1686191
INCREASE RIDER

WHEREAS, In accordance with Condition (3) of Surety Bond No. B1686191, naming Pacific Gas and Electric Company (a California corporation)

(hereinafter called Principal and Reliance Insurance Company as Surety; and

WHEREAS, The Director of Industrial Relations has called for an increase in the penal sum of said in the amount of at least Fifteen Million & no/100 Dollars ($15,000,000); and

NOW, THEREFORE, In accordance with the provisions of said bond, the penal sum thereof is hereby increased to One Hundred Million & no/100 Dollars ($100,000,000); and

IT IS UNDERSTOOD AND AGREED, That said increase shall be effective in accordance with the terms, provisions and limitations of said bond for all past, present, existing and potential liability of of the surety for said principal, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events; and

IT IS FURTHER UNDERSTOOD AND AGREED, That this rider shall be attached to and form a part of said bond.

Reliance Insurance Company
Name of Surety
580 California Street, Suite 1300
Address
San Francisco, CA 94104
City, State, Zip
(415) 273-5205
Telephone Number

THIS bond rider is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing increase rider to the above-described surety bond under an unrevoked power of attorney.

Executed in San Francisco, CA on April 13, 2000
(City/State) (Date)

Signature of Attorney-in-Fact
Theresa Fernenich
Printed or Typed name of Attorney-in-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer verifying or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of the clerk of the county of Sacramento or must be included with this bond for such filing.

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS

Date

Manager, Self-Insurance Plans,
For the Director of Industrial Relations

Form A4-21b (4/92)
/bs

(Prepare in Triplicate)

SJA6

EXECUTED IN TRIPLICATE

Mailing Address:
Self-Insurance Plans
2265 Watt Avenue, Suite 9
Sacramento, California 95825

STATE OF CALIFORNIA
DEPARTMENT OF INDUSTRIAL RELATIONS
SELF-INSURANCE PLANS
SURETY BOND OF SELF INSURER OF WORKERS' COMPENSATION
(LABOR CODE SECTION 3701)

IN THE MATTER OF THE CERTIFICATE OF
PACIFIC GAS AND ELECTRIC COMPANY
P.O. Box 7779
San Francisco, CA 94120-7779

Employer Certificate No. 0012

SURETY BOND
NO. B1686191
PREMIUM: $62,978.00 - 1 YR.

KNOW ALL PERSONS BY THESE PRESENTS:
THAT Pacific Gas and Electric Company (a California corporation)
(Employer)
whose address for service is P.O. Box 7779, San Francisco, CA 94120-7779
as PRINCIPAL, and Reliance Insurance Company
(Surety)
whose address for service is 580 California Street Ste 1300 San Francisco, CA 94104
a corporation organized under the laws of _____ and authorized to transact a general surety business in the State of California, as Surety, are held and firmly bound to the State of California in the penal sum of Fifty Four Million Seven Hundred Sixty Three Thousand Two Hundred Two****** dollars ($54,763,202) for which payment we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, In accordance with the provisions of Sections 3700 to 3705 of the Labor Code of California, the Principal elected to self-insure, and made application for, or received from the Director of Industrial Relations of the State of California, a Certificate of Consent to Self-Insure, upon a furnishing of proof satisfactory to the Director of Industrial Relations of ability to self-insure and to compensate any or all employees of said principal for injury or disability, and their dependents for death incurred or sustained by said employees, pursuant to the terms, provisions and limitations of said Labor Code.

NOW THEREFORE, the conditions of this bond or obligation are such that if Principal shall pay and furnish compensation, pursuant to the terms, provisions and limitations of said Labor Code to its employees for injury or disability, and to the dependents of its employees for death incurred or sustained by said employees, then this bond or obligation shall be null and void; otherwise to remain in full force and effect.

FURTHERMORE, It is understood and agreed that:

1. This bond may be amended, by agreement between the parties hereto and the Director of Industrial Relations, as to the identity of the principal herein named and, by agreement of the parties hereto, as to the premium or rate of premium. Such amendment must be by endorsement upon, or rider to, this bond, executed by the surety and delivered to or filed with the Director.

2. The surety does, by these presents, undertake and agree that the obligation of this bond shall cover and extend to all past, present, existing, and potential liability of said principal, as a self-insurer, to the extent of the penal sum herein named, without regard to specific injuries, date or dates of injuries, happenings or events.

3. The penal sum of this bond may be increased or decreased, by agreement between the parties hereto and the Director of Industrial Relations, without impairing the obligation incurred under this bond for the overall coverage of the said principal, for all past, present, and existing and potential liability, as a self-insurer, without regard to specific injuries, date or dates of injuries, happenings or events, to the extent, in the aggregate, of the penal sum as increased or decreased. Such amendment must be by endorsement.

4. This bond shall be continuous in form and shall remain in full force and effect unless terminated in the manner provided by law.

5. The aggregate liability of the Surety hereunder on all claims whatsoever shall not exceed the penal sum of this bond in any event.

(Continued on Reverse Side)

SJA7

6. Where the principal posts with the Director of Industrial Relations a replacement security deposit, in the form of a surety bond, irrevocable letter of credit, cash, securities or any combination thereof, in the full amount as may be required by the Director to secure all incurred liabilities for the payment of compensation of said principal under Labor Code Section 3701, the surety is released from the obligations under this surety bond upon the date of acceptance by the Director of said replacement security deposit.

7. In the event of a change in the proprietorship of the principal or the appointment of a receiver or trustee for said principal and thirty (30) days after the receipt of notice by the Director of Industrial Relations, State of California, given by registered or certified mail, by the principal or surety, herein named, the obligation of this bond shall terminate, save and except as to all past, present, existing and potential liability of the principal incurred as a self-insurer. This bond shall also terminate upon the revocation of the Certificate of Consent to Self-Insure, save and except as to all past, present, existing and potential liability of the principal, incurred as a self-insurer; and the principal and the surety, herein named, shall be notified in writing, by said Director, in the event of such revocation.

8. If the said principal shall suspend payment of workers' compensation benefits or shall become insolvent or a receiver shall be appointed for its business, the undersigned surety will become liable for the workers' compensation obligations of the principal on the date benefits are suspended and the surety shall begin payments within thirty (30) days after receipt of written notification by the Director of Industrial Relations of California to begin payments under the terms of this bond.

9. When the surety exercises its obligation to pay claims, it shall pay benefits due to the principal's injured workers without a formal award of the Workers' Compensation Appeals Board and such payment will be a credit against the penal sum of the bond. Administrative and legal costs incurred by the surety in discharging its obligations shall also be a charge against the penal sum of the bond, however, the total amount of this surety bond set aside for the payment of said administrative and legal expenses shall be limited to a maximum of ten percent (10%) of the total penal sum of the bond pursuant to Labor Code Section 3701(b). Payment by the surety of the principal's obligation for administrative and legal expenses under Section 3701(b) in an amount not to exceed 10% of the penal sum of the bond shall satisfy in full the surety's obligation to pay said administrative and legal expenses of the principal.

10. If any part or provision of this bond shall be declared unenforceable or held to be invalid by a court of proper jurisdiction, such determination shall not affect the validity or enforceability of the other provisions or parts of this bond.

11. If the Director of Industrial Relations of California directs the Self Insurer Security Fund to assume the payment of the workers' compensation obligations of the principal pursuant to Labor Code Section 3701.5, the surety shall pay upon written demand by the Director and within thirty (30) days of receipt of such demand to the Self Insurer Security Fund the entire penal sum of the bond that remains unpaid.

12. Disputes concerning the posting, renewal, termination, exoneration, or return of all or any portion of the principal's security deposit or any liability arising out of the posting or failure to post security, or the adequacy of the security or the reasonableness of administrative costs, including legal costs, arising between or among a surety, the issuer of an agreement of assumption and guarantee of workers' compensation liabilities, the issuer of a letter of credit, any custodian of the security deposit, the principal, or the Self Insurer Security Fund shall be resolved by the Director of Industrial Relations of California pursuant to Labor Code Section 3701.5(g).

13. This bond is executed by the Surety to comply with the provisions of Chapter 2, Title 14, Part 2 of the Code of Civil Procedure and the provisions of Article 1, Chapter 4, Part 1, Division 4 of the Labor Code and said bond shall be subject to all terms and provisions thereof.

Reliance Insurance Company
Name of Surety
580 California St., Ste. 1300
Address
San Francisco, CA 94104
City, State, Zip

THIS bond is executed under an unrevoked appointment or power of attorney.

I certify (or declare) under penalty of perjury under the laws of the State of California that I have executed the foregoing surety bond under an unrevoked power of attorney.

Executed in SAN FRANCISCO, CA. on APRIL 8, 1998
(City/State) (Date)

Signature of Attorney-In-Fact

Theresa Fermanich
Printed or Typed name of Attorney-In-Fact

A copy of the transcript or record of the unrevoked appointment, power of attorney, bylaws, or other instrument, duly certified by the proper authority and attested by the seal of the insurer vesting or authorizing the person who executed the bond to do so for and in behalf of the insurer, must be filed in the office of the clerk of the county of Sacramento or must be included with this bond for such filing.

AI (4-6-98)
Form No. A4-20(4/92)

SJA8

Reliance

RELIANCE INSURANCE COMPANY
Philadelphia, Pennsylvania

UNITED PACIFIC INSURANCE COMPANY
Federal Way, Washington

PLANET INSURANCE COMPANY
Home Office — Sun Prairie, Wisconsin
Administrative Offices — Philadelphia, Pennsylvania

CONTINUING AGREEMENT OF INDEMNITY
MISCELLANEOUS SURETY BONDS

THIS AGREEMENT is made by the undersigned for the continuing benefit of RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY and/or PLANET INSURANCE COMPANY (hereinafter referred to collectively as the "SURETY") for the purpose of saving each and all of them harmless and indemnifying each and all of them from all loss and expense in connection with any Bonds executed on behalf of any one or more of the following persons, firms or corporations:

Pacific Gas & Electric Company

(hereinafter referred to as Applicant)

WITNESSETH,

WHEREAS, the Applicant, individually, jointly with others or on behalf of any of its subsidiaries, affiliates or divisions or their subsidiaries, affiliates or divisions now in existence or hereafter formed or acquired, or on behalf of individuals, partnerships or corporations, may desire or be required from time to time to give certain bonds, undertakings, or instruments of guarantee (all of which will hereinafter be included within the term "BOND" or "BONDS"), and

WHEREAS, upon the express condition that this instrument be executed, the Surety has executed or procured the execution, of or may from time to time hereafter execute or procure the execution of such Bonds, and the Surety may continue the Bond or Bonds heretofore executed and may forebear cancellation of such Bonds;

NOW, THEREFORE, in consideration of the execution of any such Bond or Bonds or the forbearance of cancellation of existing Bonds and as an inducement to such execution or forbearance, we, the Undersigned, agree and bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, as follows:

FIRST: To pay to the Surety in advance upon the execution of each Bond the initial premium computed in accordance with the rates currently charged by the Surety at the time such Bond is executed and the Undersigned will also pay all renewal or additional premiums computed at such rates until proof is furnished satisfactory to the Surety of its discharge from all liability under such Bond.

SECOND: To indemnify, and keep indemnified, and hold and save harmless the Surety against all demands, claims, loss, costs, damages, expenses and attorneys' fees whatever, and any and all liability therefor, sustained or incurred by the Surety by reason of executing or procuring the execution of any said Bond or Bonds, or any other Bonds, which maybe already or hereafter executed for or at the request of the Undersigned, or renewal or continuation thereof; or sustained or incurred by reason of making any investigation on account thereof, prosecuting or defending any action brought in connection therewith, obtaining a release therefrom, recovering or attempting to recover any salvage in connection therewith or enforcing by litigation or otherwise any of the agreements herein contained. Payment of amounts due Surety hereunder together with legal interest shall be payable upon demand.

THIRD: That if Surety shall be required or shall deem it necessary to set up a reserve in any amount to cover any claim, demand, liability, expense, suit, order, judgment or adjudication under or on any Bond or Bonds or for any other reason whatsoever, to immediately upon demand deposit with Surety an amount of money sufficient to cover such reserve and any increase thereof, at anytime, in payment or compromise of any liability, claims, demands, judgment, damages, fees and disbursements or other expenses; and the Undersigned, in the event of their failure to comply with such demand, hereby authorize and empower any attorney of any court of record of the United States or any of its territories or possessions, to appear for them or any of them in any suit by Surety and to confess judgment against them or any of them for any sum or sums of money up to the amount of any or all Bond or Bonds, with costs, interest and reasonably attorneys' fees; such judgment, however, to be satisfied upon the payment of any and all such sums as may be found due by the Undersigned to Surety under the terms of this agreement. The authority to confess judgment as set forth herein shall not be exhausted by any one exercise thereof, but may be exercised from time to time and more than one time until all liability of the Undersigned to Surety shall have been paid in full. Demand shall be sufficient if sent by registered or certified mail to the Undersigned at the address or addresses given herein or last known to Surety, whether or not actually received.

FOURTH: All collateral security held by or assigned to the Surety may be used by the Surety at any time in payment of any claim, loss or expense which the Undersigned have agreed to pay hereby, whether or not such claim, loss or expense arises out of or in connection with such Bond under which such collateral is held. The Surety may sell or realize upon any or all such collateral security, at public or private sale, with or without notice to the Undersigned or any of them, and with the right to be purchaser itself at any public sale, and shall be accountable to the Undersigned only for such surplus or remainder of such collateral security or the proceeds thereof as may be in the Surety's possession after it has been fully indemnified as in this agreement provided. The Surety shall not be liable for decrease in value or loss or destruction of or damage to such security, however caused.

FIFTH: The Surety shall have the right, at its option and in its sole discretion;

(a) To deem this Agreement breached should the Applicant become involved in any agreement or proceeding of liquidation, receivership, or bankruptcy, voluntarily or involuntarily, or should the Applicant, if an individual, die, be convicted of a felony, become a fugitive from justice, or for any reason disappear and cannot immediately be found by the Surety by use of usual methods.

(b) To adjust, settle or compromise any claim, demand, suit or judgment upon said Bond or Bonds, or any of them, unless the Undersigned shall request in writing the Surety to litigate such claim or demand, or defend such suit, or appeal from such judgment, and shall deposit with the Surety, at the time of such request, cash or collateral satisfactory to the Surety in kind and amount to be used in paying any judgment or judgments rendered with interest, costs and attorneys' fees.

All damage, loss or expense of any nature which the Surety may incur under Section FIFTH shall be borne by the Undersigned.

BD-1448 Ed. 5/84

SJA9

SIXTH: Each of the Undersigned expressly consent that, in the event of any action against the Surety arising out of its execution of such Bond or Bonds which is not handled pursuant to the provisions of Section FIFTH subparagraph (b), the Surety shall have the right to apply to the Court in which such action is brought for an order making them or any one or more of them defendants and hereby further consent to the granting of such application for making such order and agree to become parties defendant.

SEVENTH: The Surety shall have the exclusive right for itself and for the Undersigned to decide and determine whether any claim, demand, suit or judgment upon said Bond or Bonds shall, on the basis of liability, expediency or otherwise, be paid, settled, defended or appealed, and its determination shall be final, conclusive and binding upon the Undersigned (except as provided in Section FIFTH (b) hereof); and any loss, costs, charges, expense or liability thereby sustained or incurred, as well as any and all disbursements on account of costs, expenses, and attorneys' fees, deemed necessary or advisable by the Surety, shall be borne and paid immediately by the Undersigned, together with legal interest. In the event of any payment, settlement, compromise or investigation, an itemized statement of the payment, loss, costs, damages, expenses or attorneys' fees, sworn to by any officer of the Surety or the voucher or vouchers or other evidence of such payment, settlement or compromise shall be prima facie evidence of the fact and extent of the liability of the Undersigned to the Surety in any claim or suit hereunder and in any and all matters arising between the Undersigned and the Surety.

* Refer to Amended Paragraph Eighth Below *

[redacted]

NINTH: Each of the Undersigned does hereby waive all right to claim any property, including homestead as exempt from levy, execution, sale or other legal process under the law of any state, province or other government as against the rights of the Surety to proceed against the same for indemnity hereunder. The Undersigned hereby waive all notice of any default or any other act or acts giving rise to any claim under any said Bond or Bonds, and waive notice of any and all liability of the Surety under any said Bond or Bonds or any and all liability on the part of the Undersigned to the effect and end that each of the Undersigned shall be and continue liable to the Surety hereunder notwithstanding any notice of any kind to which the Undersigned might have been or be entitled and notwithstanding any defenses which the Undersigned might have been or be entitled to make.

TENTH: The Surety shall have every right and remedy which a personal surety without compensation would have, including the right to secure its discharge from the suretyship, and nothing herein contained shall be considered or construed to waive, abridge or diminish any right or remedy which the Surety might have if this instrument were not executed. The Undersigned will, on request of the Surety procure the discharge of the Surety from any Bond/s, and all liability by reason thereof. Separate suits may be brought hereunder as causes of action may accrue, and the pendency or termination of any such suit shall not bar any subsequent action. The Surety shall be notified immediately by the Undersigned of any claim or action which may result in a claim against the Surety, such notice to be given by registered mail to the Surety at its Home Office. In the event of legal proceedings against the Surety, upon or on account of any said Bond or Bonds, the Surety may apply for a court order making any or all of the Undersigned parties defendants, and such Undersigned hereby consents to the granting of such application and agrees to become such a party defendant and to allow judgment, in the event of judgment against the Surety, to be rendered also against such Undersigned in like amount and in favor of the Surety, if the Surety so desires.

ELEVENTH: The Surety may decline to execute any Bond herein applied for and it shall not be liable to the Undersigned and the Undersigned shall make no claim for any damages alleged to arise from such declination nor shall it be liable to the Undersigned should its Bond or Bonds be not accepted. Furthermore, the Surety shall have the absolute right to cancel any Bond in accord with any cancellation provision contained therein, to procure its release from any Bond under any law for the release of sureties; and the Surety is hereby released from any liability for expense, cost of damage alleged to be sustained by the Undersigned by reason of such cancellation or release of bond obligation.

TWELFTH: This Agreement shall, in all its terms and agreements, be for the benefit of and protect any person or company joining with the Surety in executing said Bond or Bonds, or any of them, or executing at the request of the Surety said Bond or Bonds, or any of them as well as any company or companies assuming co-suretyship or reinsurance therein.

THIRTEENTH: The Undersigned warrant that each of them is specifically and beneficially interested in the obtaining of each Bond. Failure to execute, or defective execution, by any party, shall not affect the validity of this obligation as to any other party executing the same and each such other party shall remain fully bound and liable hereunder. Invalidity of any portion or provision of this Agreement by reason of the laws of any state or for any other reason shall not render the other provisions or portion hereof invalid. Execution of any application for any Bond by the Applicant, or of any other indemnity agreement by any Undersigned for the Applicant shall in no way abrogate, waive or diminish any rights of Surety under this Agreement. The undersigned acknowledge that the execution of this Agreement and the undertaking of indemnity was not made in reliance upon any representation concerning the financial responsibility of any Undersigned, or concerning the competence of the Applicant to perform.

FOURTEENTH: Each of the Undersigned expressly recognizes and covenants that this Agreement is a continuing obligation applying to and indemnifying the Surety as to any and all Bonds (whether or not covered by any application signed by Applicant—such application to be considered between the parties hereto as merely supplemental to this continuing Agreement of indemnity) heretofore or hereafter executed by Surety on behalf of Applicant (whether acting alone or as a Co-adventurer) until this Agreement shall be canceled in the manner hereinafter provided. Any of the Undersigned may notify the Surety at its Home Office, of such Undersigned's withdrawal from this Agreement; such notice shall be sent by certified or registered mail and shall state when, not less than thirty days after receipt of such notice by the Surety, such withdrawal shall be effective. Such Undersigned will not be liable under this Agreement as to any Bonds executed by the Surety after the effective date of such notice; provided, that as to any and all such Bonds executed or authorized by the Surety prior to effective date of such notice and as to all and all renewals, continuations and extensions thereof or substitutions therefor regardless of when the same are executed, such Undersigned shall be and remain fully liable hereunder, as if said notice had not been served. Such withdrawal by any Undersigned shall in no way affect the obligation of any other Undersigned who has given no such notice of termination.

FIFTEENTH: The Surety shall have the right, and is hereby authorized and empowered but not required: (a) To increase or decrease the penalty or penalties of any such Bond or Bonds, to change the obligee or obligees therein, to execute any continuations, enlargements, modifications and renewals thereof or substitute therefore with the same or different conditions, provisions and obligees, and with the same or larger or smaller penalties, it being agreed that this instrument shall apply to and cover such new or changed bonds or renewals even though the consent of the Surety may or does substantially increase the liability of the Applicant and the Undersigned; (b) to take such steps as it may deem necessary or proper to obtain release from liability under any such Bond or Bonds.

SIXTEENTH: The foregoing indemnity shall apply as to all Bonds as aforesaid unless the Undersigned herein shall specifically designate in this paragraph the Bond to which his indemnity shall be limited and affix his signature following that designation.

BOND DESCRIPTION: _____

_____

_____

SIGNATURE: _____

SEVENTEENTH: The Surety shall be entitled to enforce the obligations hereof directly against any and all Undersigned without the necessity of first proceeding against the Applicant.

EIGHTEENTH: This Agreement shall constitute a Security Agreement to Surety and also a Financing Statement, both in accordance with the provisions of the Uniform Commercial Code of every jurisdiction wherein such Code is in effect, but the filing or recording of this Agreement shall be solely at the option of Surety and the failure to do so shall not release or impair any of the obligations of the Applicant or the Undersigned under this Agreement or otherwise arising, nor shall such failure be in any manner in derogation of the rights of Surety under this Agreement or otherwise.

SJA10

SEVERALTY: The rights and indemnifications of each Surety signatory to this Agreement shall be several and not joint with those of the other signatory Sureties as to any Bond issued by it to any Applicant and shall be enforceable against the Undersigned as to any and all Bonds issued to any Applicant hereunder.

RECITALS: All of the Undersigned hereby warrant and represent that this Agreement is executed pursuant to that certain State of California Public Utilities Commission Order dated December 18, 1991, which was conditioned upon that certain Application of Pacific Gas & Electric Co., before the Public Utilities Commission of the State of California to provide up to $500 million in capital support to regulated and unregulated subsidiaries or affiliates and which was dated May 2, 1991.

TERMS: Until the Surety shall have been furnished with competent legal evidence of its discharge without loss from any and all Bonds, the Surety shall have the right, upon twenty-four hours notice and during regular business hours, to free access to the books, records and accounts of each of the Undersigned for the purpose of examining the same for the sole purpose of evaluating its actual or threatened liability in connection with any bond. The Surety may furnish copies of any and all statements, agreements and financial statements and any information which it now has or may hereafter obtain concerning each of the Undersigned, to other persons or companies for the purpose of procuring co-suretyship or reinsurance or of advising interested persons or companies.

Signed, sealed, and dated this 11th day of June 1992.

_____ (Seal)	Pacific Gas & Electric Company (Seal)
Attest: _____ (Seal)	By: _____ (Seal)
BRIAN L. McGRATH	
_____ (Seal)	_____ (Seal)
_____ (Seal)	_____ (Seal)
_____ (Seal)	_____ (Seal)
_____ (Seal)	_____ (Seal)
_____ (Seal)	_____ (Seal)
_____ (Seal)	_____ (Seal)
_____ (Seal)	_____ (Seal)

_____
Name of Surety (Seal)

By: _____

IMPORTANT: Print or type the name and address of each signatory to this agreement. Each signature must be acknowledged. See REVERSE HEREOF.

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF _____ ss.
COUNTY OF _____
On this _____ day of _____ 19___ before me personally appeared _____

to me known and known to me to be the individual(s) described in and who executed the foregoing agreement and acknowledged that _____ he _____ executed the same for the purposes, considerations and uses therein set forth. Given under _____ hand and official seal this _____ day of _____ 19___.

_____
Notary Public, residing at _____
(Commission expires _____)

CORPORATE ACKNOWLEDGEMENT

STATE OF CALIFORNIA ss.
COUNTY OF SAN FRANCISCO
On this 11th day of June 1992 before me personally came
RICHARD A. CLARKE

to me known, who being by me duly sworn, did depose and say: that he resides in San Rafael, Marin County, California
that he is the Chairman & Chief Executive Officer of the PACIFIC GAS AND ELECTRIC COMPANY
the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name to the said instrument by like order.

MILDRED J. WILLIAMS
NOTARY PUBLIC - CALIFORNIA
CITY & COUNTY OF SAN FRANCISCO
My Commission Expires Aug. 7, 1993

Mildred J. Williams
Notary Public, residing at San Francisco, California
(Commission expires August 7, 1993)

CORPORATE ACKNOWLEDGEMENT

STATE OF CALIFORNIA ss.
COUNTY OF SAN FRANCISCO
On this 11th day of June 1992 before me personally came
BRIAN L. McGRATH

to me known, who being by me duly sworn, did depose and say: that he resides in Hillbrae, San Mateo County, California
that he is the Assistant Secretary of the PACIFIC GAS AND ELECTRIC COMPANY
the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name to the said instrument by like order.

MILDRED J. WILLIAMS
NOTARY PUBLIC - CALIFORNIA
CITY & COUNTY OF SAN FRANCISCO
My Commission Expires Aug. 7, 1993

Mildred J. Williams
Notary Public, residing at San Francisco, California
(Commission expires August 7, 1993)

CORPORATE ACKNOWLEDGEMENT

STATE OF _____ ss.
COUNTY OF _____
On this _____ day of _____ 19___ before me personally came _____

to me known, who being by me duly sworn, did depose and say: that he resides in _____
that he is the _____ of the _____
the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name to the said instrument by like order.

_____
Notary Public, residing at _____
(Commission expires _____)

IMPORTANT: Attach certified copy of Resolution authorizing execution of this instrument by Corporation.

SFO

Reliance

RELIANCE INSURANCE COMPANY
Philadelphia, Pennsylvania

UNITED PACIFIC INSURANCE COMPANY
Federal Way, Washington

PLANET INSURANCE COMPANY
Home Office—Sun Prairie, Wisconsin
Administrative Offices—Philadelphia, Pennsylvania

CONTINUING AGREEMENT OF INDEMNITY
MISCELLANEOUS SURETY BONDS

THIS AGREEMENT is made by the undersigned for the continuing benefit of RELIANCE INSURANCE COMPANY, UNITED PACIFIC INSURANCE COMPANY and/or PLANET INSURANCE COMPANY (hereinafter referred to collectively as the "SURETY") for the purpose of saving each and all of them harmless and indemnifying each and all of them from all loss and expense in connection with any Bonds executed on behalf of any one or more of the following persons, firms or corporations:

Pacific Gas & Electric Company

(hereinafter referred to as Applicant).

WITNESSETH,

WHEREAS, the Applicant; individually, jointly with others or on behalf of any of its subsidiaries, affiliates or divisions or their subsidiaries, affiliates or divisions now in existence or hereafter formed or acquired; or on behalf of individuals, partnerships or corporations, may desire or be required from time to time to give certain bonds, undertakings, or instruments of guarantee (all of which will hereinafter be included within the term "BOND" or "BONDS"), and

WHEREAS, upon the express condition that this instrument be executed, the Surety has executed or procured the execution, of or may from time to time hereafter execute or procure the execution of such Bonds, and the Surety may continue the Bond or Bonds heretofore executed and may forebear cancellation of such Bonds;

NOW, THEREFORE, in consideration of the execution of any such Bond or Bonds or the forbearance of cancellation of existing Bonds and as an inducement to such execution or forbearance, we, the Undersigned, agree and bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, as follows:

FIRST: To pay to the Surety in advance upon the execution of each Bond the initial premium computed in accordance with the rates currently charged by the Surety at the time such Bond is executed and the Undersigned will also pay all renewal or additional premiums computed at such rates until proof is furnished satisfactory to the Surety of its discharge from all liability under such Bond.

SECOND: To indemnify, and keep indemnified, and hold and save harmless the Surety against all demands, claims, loss, costs, damages, expenses and attorneys' fees whatever and any and all liability therefor, sustained or incurred by the Surety by reason of executing or procuring the execution of any said Bond or Bonds, or any other Bonds, which maybe already or hereafter executed for or at the request of the Undersigned, or renewal or continuation thereof; or sustained or incurred by reason of making any investigation on account thereof, prosecuting or defending any action brought in connection therewith, obtaining a release therefrom, recovering or attempting to recover any salvage in connection therewith or enforcing by litigation or otherwise any of the agreements herein contained. Payment of amounts due Surety hereunder together with legal interest shall be payable upon demand.

THIRD: That if Surety shall be required or shall deem it necessary to set up a reserve in any amount to cover any claim, demand, liability, expense, suit, order, judgment or adjudication under or on any Bond or Bonds or for any other reason whatsoever, to immediately upon demand deposit with Surety an amount of money sufficient to cover such reserve and any increase thereof, at anytime, in payment or compromise of any liability, claims, demands, judgment, damages, fees and disbursements or other expenses; and the Undersigned, in the event of their failure to comply with such demand, hereby authorize and empower any attorney of any court of record of the United States or any of its territories or possessions, to appear for them or any of them in any suit by Surety and to confess judgment against them or any of them for any sum or sums of money up to the amount of any or all Bond or Bonds, with costs, interest and reasonably attorneys' fees; such judgment, however, to be satisfied upon the payment of any and all such sums as may be found due by the Undersigned to Surety under the terms of this agreement. The authority to confess judgment as set forth herein shall not be exhausted by any one exercise thereof, but may be exercised from time to time and more than one time until all liability of the Undersigned to Surety shall have been paid in full. Demand shall be sufficient if sent by registered or certified mail to the Undersigned at the address or addresses given herein or last known to Surety, whether or not actually received.

FOURTH: All collateral security held by or assigned to the Surety may be used by the Surety at any time in payment of any claim, loss or expense which the Undersigned have agreed to pay hereby, whether or not such claim, loss or expense arises out of or in connection with such Bond under which such collateral is held. The Surety may sell or realize upon any or all such collateral security, at public or private sale, with or without notice to the Undersigned or any of them, and with the right to be purchaser itself at any public sale, and shall be accountable to the Undersigned only for such surplus or remainder of such collateral security or the proceeds thereof as may be in the Surety's possession after it has been fully indemnified as in this agreement provided. The Surety shall not be liable for decrease in value or loss or destruction of or damage to such security, however caused.

FIFTH: The Surety shall have the right, at its option and in its sole discretion;

(a) To deem this Agreement breached should the Applicant become involved in any agreement or proceeding of liquidation, receivership, or bankruptcy, voluntarily or involuntarily, or should the Applicant, if an individual, die, be convicted of a felony, become a fugitive from justice, or for any reason disappear and cannot immediately be found by the Surety by use of usual methods.

(b) To adjust, settle or compromise any claim, demand, suit or judgment upon said Bond or Bonds, or any of them, unless the Undersigned shall request in writing the Surety to litigate such claim or demand, or defend such suit, or appeal from such judgment, and shall deposit with the Surety, at the time of such request, cash or collateral satisfactory to the Surety in kind and amount to be used in paying any judgment or judgments rendered with interest, costs and attorneys' fees.

All damage, loss or expense of any nature which the Surety may incur under Section FIFTH shall be borne by the Undersigned.

SJA13

SIXTH: Each of the Undersigned expressly consent that in the event of any action against the Surety arising out of its execution of such Bond or Bonds which is not handled pursuant to the provisions of Section FIFTH subparagraph (b), the Surety shall have the right to apply to the Court in which such action is brought for an order making them or any one or more of them defendants and hereby further consent to the granting of such application for making such order and agree to become parties defendant.

SEVENTH: The Surety shall have the exclusive right for itself and for the Undersigned to decide and determine whether any claim, demand, suit or judgment upon said Bond or Bonds shall, on the basis of liability, expediency or otherwise, be paid, settled, defended or appealed, and its determination shall be final, conclusive and binding upon the Undersigned (except as provided in Section FIFTH (b) hereof); and any loss, costs, charges, expense or liability thereby sustained or incurred, as well as any and all disbursements on account of costs, expenses, and attorneys' fees, deemed necessary or advisable by the Surety, shall be borne and paid immediately by the Undersigned, together with legal interest. In the event of any payment, settlement, compromise or investigation, an itemized statement of the payment, loss, costs, damages, expenses or attorneys' fees, sworn to by any officer of the Surety or the voucher or vouchers or other evidence of such payment, settlement or compromise shall be prima facie evidence of the fact and extent of the liability of the Undersigned to the Surety in any claim or suit hereunder and in any and all matters arising between the Undersigned and the Surety.

* Refer to Amended Paragraph Eighth Below

~~EIGHTH: Until the Surety shall have been furnished with complete legal evidence of its discharge without loss from any and all Bonds, the Surety shall have the right at all times to free access to the books, records and accounts of each of the Undersigned for the purpose of examining the same. Each of the Undersigned hereby authorizes and requests any and all depositories in which funds of any of the Undersigned may be deposited to furnish to the Surety the amount of such deposits as of any date requested and any person, firm or corporation doing business with the Undersigned is hereby authorized to furnish any information requested by the Surety concerning any transaction. The Surety may furnish copies of any and all statements, agreements and financial statements and any information which is now has or may hereafter obtain concerning each of the Undersigned, to other persons or companies for the purpose of procuring co-suretyship or reinsurance or of advising interested persons or companies.~~

NINTH: Each of the Undersigned does hereby waive all right to claim any property, including homestead as exempt from levy, execution, sale or other legal process under the law of any state, province or other government as against the rights of the Surety to proceed against the same for indemnity hereunder. The Undersigned hereby waive all notice of any default or any other act or acts giving rise to any claim under any said Bond or Bonds, and waive notice of any and all liability of the Surety under any said Bond or Bonds or any and all liability on the part of the Undersigned to the effect and end that each of the Undersigned shall be and continue liable to the Surety hereunder notwithstanding any notice of any kind to which the Undersigned might have been or be entitled and notwithstanding any defenses which the Undersigned might have been or be entitled to make.

TENTH: The Surety shall have every right and remedy which a personal surety without compensation would have, including the right to secure its discharge from the suretyship, and nothing herein contained shall be considered or construed to waive, abridge or diminish any right or remedy which the Surety might have if this instrument were not executed. The Undersigned will, on request of the Surety procure the discharge of the Surety from any Bonds, and all liability by reason thereof. Separate suits may be brought hereunder as causes of action may accrue, and the pendency or termination of any such suit shall not bar any subsequent action. The Surety shall be notified immediately by the Undersigned of any claim or action which may result in a claim against the Surety, such notice to be given by registered mail to the Surety at its Home Office. In the event of legal proceedings against the Surety, upon or on account of any said Bond or Bonds, the Surety may apply for a court order making any or all of the Undersigned parties defendants, and such Undersigned hereby consents to the granting of such application and agrees to become such a party defendant and to allow judgment, in the event of judgment against the Surety, to be rendered also against such Undersigned in like amount and in favor of the Surety, if the Surety so desires.

ELEVENTH: The Surety may decline to execute any Bond herein applied for and it shall not be liable to the Undersigned and the Undersigned shall make no claim for any damages alleged to arise from such declination nor shall it be liable to the Undersigned should its Bond or Bonds be not accepted. Furthermore, the Surety shall have the absolute right to cancel any Bond in accord with any cancellation provision contained therein, to procure its release from any Bond under any law for the release of sureties; and the Surety is hereby released from any liability for expense, cost of damage alleged to be sustained by the Undersigned by reason of such cancellation or release of bond obligation.

TWELFTH: This Agreement shall, in all its terms and agreements, be for the benefit of and protect any person or company joining with the Surety in executing said Bond or Bonds, or any of them, or executing at the request of the Surety said Bond or Bonds, or any of them as well as any company or companies assuming co-suretyship or reinsurance thereon.

THIRTEENTH: The Undersigned warrant that each of them is specifically and beneficially interested in the obtaining of each Bond. Failure to execute, or defective execution, by any party, shall not affect the validity of this obligation as to any other party executing the same and each such other party shall remain fully bound and liable hereunder. Invalidity of any portion or provision of this Agreement by reason of the laws of any state or for any other reason shall not render the other provisions or portion hereof invalid. Execution of any application for any Bond by the Applicant, or of any other indemnity agreement by any Undersigned for the Applicant shall in no way abrogate, waive or diminish any rights of Surety under this Agreement. The undersigned acknowledge that the execution of this Agreement and the undertaking of indemnity was not made in reliance upon any representation concerning the financial responsibility of any Undersigned, or concerning the competence of the Applicant to perform.

FOURTEENTH: Each of the Undersigned expressly recognizes and covenants that this Agreement is a continuing obligation applying to and indemnifying the Surety as to any and all Bonds (whether or not covered by any application signed by Applicant—such application to be considered between the parties hereto as merely supplemental to this continuing Agreement of Indemnity) heretofore or hereafter executed by Surety on behalf of Applicant (whether acting alone or as a Co-adventurer) until this Agreement shall be canceled in the manner hereinafter provided. Any of the Undersigned may notify the Surety at its Home Office, of such Undersigned's withdrawal from this Agreement; such notice shall be sent by certified or registered mail and shall state when, not less than thirty days after receipt of such notice by the Surety, such withdrawal shall be effective. Such Undersigned will not be liable under this Agreement as to any Bonds executed by the Surety after the effective date of such notice; provided, that as to any and all such Bonds executed or authorized by the Surety prior to effective date of such notice and as to all and all renewals, continuations and extensions thereof or substitutions therefor regardless of when the same are executed, such Undersigned shall be and remain fully liable hereunder, as if said notice had not been served. Such withdrawal by any Undersigned shall in no way affect the obligation of any other Undersigned who has given no such notice of termination.

FIFTEENTH: The Surety shall have the right, and is hereby authorized and empowered but not required: (a) To increase or decrease the penalty or penalties of any such Bond or Bonds, to change the obligee or obligees therein, to execute any continuations, enlargements, modifications and renewals thereof or substitute therefore with the same or different conditions, provisions and obligees, and with the same or larger or smaller penalties, it being agreed that this instrument shall apply to and cover such new or changed bonds or renewals even though the consent of the Surety may or does substantially increase the liability of the Applicant and the Undersigned; (b) to take such steps as it may deem necessary or proper to obtain release from liability under any such Bond or Bonds.

SIXTEENTH: The foregoing indemnity shall apply as to all Bonds as aforesaid unless the Undersigned herein shall specifically designate in this paragraph the Bond to which his indemnity shall be limited and affix his signature following that designation.

BOND DESCRIPTION: _____

_____

SIGNATURE: _____

SEVENTEENTH: The Surety shall be entitled to enforce the obligations hereof directly against any and all Undersigned without the necessity of first proceeding against the Applicant.

EIGHTEENTH: This Agreement shall constitute a Security Agreement to Surety and also a Financing Statement, both in accordance with the provisions of the Uniform Commercial Code of every jurisdiction wherein such Code is in effect, but the filing or recording of this Agreement shall be solely at the option of Surety and the failure to do so shall not release or impair any of the obligations of the Applicant or the Undersigned under this Agreement or otherwise arising, nor shall such failure be in any manner in derogation of the rights of Surety under this Agreement or otherwise.

NINETEENTH: The rights of indemnification of each Surety signatory to this Agreement shall be individual and not joint with those of the other signatory Sureties as respects any Bond issued by it to any Applicant and shall be enforceable against the Undersigned as to any and all bonds issued to any Applicant hereunder.

ENTIETH: Notwithstanding any other provision of this agreement, the obligation of Pacific Gas d Electric Company ("PG&E") hereunder shall be limited to a term of one year from the date set rth below. In the event that PG&E obtains, on or before the expiration of such term, an thorization from the California Public Utilities Commission to undertake obligations similar those contained herein for a term of greater than one year, PG&E shall execute an extension this agreement in accordance with such authorization.

rther, notwithstanding any other provision of this agreement, if, for any reason, Pacific Gas d Electric Company fails to execute said extension of this agreement or a replacement reement on the same terms of this agreement by May 7, 1992, then Pacific Gas and ectric Company shall deposit funds with the Surety, five days following receipt of the rety's written demand therefore, which will be in an amount equal to one hundred twenty-five rcent (125%) of the Surety's outstanding bond liability at the time of the demand hereunder. e surety shall hold such collateral in accordance with the terms of Paragraph Four of this reement.

GHTH: Until the Surety shall have been furnished with competent legal evidence of its scharge without loss from any and all Bonds, the Surety shall have the right, upon 24 hours' tice and during regular business hours, to free access to the books, records and accounts of ch of the Undersigned for the purpose of examining the same for the sole purpose of evaluating s actual or threatened liability in connection with any bond. The Surety may furnish copies any and all statements, agreements and financial statements and any information which is now s or may hereafter obtain concerning each of the Undersigned, to other persons or companies r the purpose of procuring co-suretyship or reinsurance or of advising interested persons or mpanies.

Signed, sealed, and dated this 6th day of June, 19 91

Attest _____ (Seal)

By: Michael E. Malloy (Seal)
Assistant Secretary

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

Pacific Gas & Electric Company (Seal)

By: Stanley T. Skinner (Seal)
STANLEY T. SKINNER
Vice Chairman of the Board

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____ (Seal)

_____
Name of Surety(ies)

By: _____

IMPORTANT: Print or type the name and address of each signatory to this agreement. Each signature must be acknowledged—See REVERSE HEREOF

SJA15

INDIVIDUAL AND PARTNERSHIP ACKNOWLEDGEMENT

STATE OF _____ ss.
COUNTY OF _____
On this _____ day of _____, 19____ before me personally appeared _____

to me known and known to me to be the individual(s) described in and who executed the foregoing agreement and acknowledged that _____ he _____ executed the same for the purposes, considerations and uses therein set forth as _____ h _____ free and voluntary act and deed.

Notary Public, residing at _____
(Commission expires _____)

CORPORATE ACKNOWLEDGEMENT

STATE OF California ss.
COUNTY OF San Francisco
On this 6th day of JUNE, 19 91 before me personally came
STANLEY T. SKINNER and MICHAEL E. MALEKOS *

to me known, who being by me duly sworn, did repose and say: that he resides in SAN FRANCISCO,
that he is the VICE CHAIRMAN of the PACIFIC GAS AND ELECTRIC COMPANY,
the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name to the said instrument by like order.

*Assistant Secretary

OFFICIAL SEAL
LINDA M. ELLIOTT
NOTARY PUBLIC - CALIFORNIA
CITY AND COUNTY OF SAN FRANCISCO
My Commission Expires Sept. 24, 1993

Linda M. Elliott
Notary Public, residing at SAN FRANCISCO
(Commission expires September 24, 1993)

CORPORATE ACKNOWLEDGEMENT

STATE OF _____ ss.
COUNTY OF _____
On this _____ day of _____, 19____ before me personally came _____

to me known, who being by me duly sworn, did repose and say: that he resides in _____,
that he is the _____ of the _____,
the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name to the said instrument by like order.

Notary Public, residing at _____
(Commission expires _____)

CORPORATE ACKNOWLEDGEMENT

STATE OF _____ ss.
COUNTY OF _____
On this _____ day of _____, 19____ before me personally came _____

to me known, who being by me duly sworn, did repose and say: that he resides in _____,
that he is the _____ of the _____,
the corporation described in and which executed the foregoing instrument; that he knows the seal of the said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of the said corporation, and that he signed his name to the said instrument by like order.

Notary Public, residing at _____
(Commission expires _____)

IMPORTANT: Attach certified copy of Resolution authorizing execution of this instrument by Corporation.

SJA16

Reliance

RECEIPT OF CONTINUING AGREEMENT OF INDEMNITY

This is to acknowledge receipt of original Continuing Agreement of

Indemnity from San Francisco
(Branch)

regarding Pacific Gas & Electric Company
(Account)

dated June 11, 1992

6-17-92 Kimberly Greenwood
(Date) (Signature)

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03-4153

United States Bankruptcy Court — Northern District of California (San Francisco Division)

AMENDED PROOF OF CLAIM

Name of Debtor	Case Number
Pacific Gas and Electric Company	01-30923 (DM)

NOTE: This form should not be used to make a claim for an administrative expense arising after the commencement of the case. A request for payment of an administrative expense may be filed pursuant to 11 USC § 503

Name of Creditor (The person or other entity to whom the debtor owes money or property): Travelers Casualty and Surety Company of America and Travelers Casualty and Surety Company as Administrator for Reliance Insurance Company for itself, as successor in interest by merger with United Pacific Insurance Company, and for related Reliance Insurance Companies

☐ Check box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

Name and address where notices should be sent:

Susan M. Camili
Travelers Casualty and Surety Company
One Constitution Plaza, 14 CZ
Hartford, CT 06183-9062
(860) 277-4273

G. Eric Brunstad, Jr.
Bingham McCutchen LLP
One State Street
Hartford, CT 06103-3178
(860) 240-2700

☐ Check box if you have never received any notices from the bankruptcy court in this case.
☒ Check box if the address differs from the address on the envelope sent to you by the court.

THIS SPACE IS FOR COURT USE ONLY

Account or other number by which creditor identifies debtor:

Check here if this claim ☐ replaces ☒ amends a previously filed claim, dated 9/4/2001*

1. Basis for Claim
☐ Goods sold
☐ Services performed
☐ Money loaned
☐ Personal injury/wrongful death
☐ Taxes
☒ Other (See attached Addendum)

☐ Retiree benefits as defined in 11 U.S.C. § 1114(a)
☐ Wages, salaries, and compensation (fill out below)
Your SS # _____
Unpaid compensation for services performed
from _____ (date) to _____ (date)

2. Date debt was incurred: (See attached Addendum)

3. If court judgment, date obtained:

4. Total Amount of Claim at Time Case Filed: $(See attached Addendum)
If all or part of your claim is secured or entitled to priority, also complete Item 5 or 6 below.
☐ Check this box if claim includes interest or other charges in addition to the principal amount of the claim. Attach itemized statement of all interest or additional charges.

5. Secured Claim
☐ Check this box if your claim is secured by collateral (including a right of setoff)
Brief Description of Collateral:
☐ Real Estate ☐ Motor Vehicle ☐ Other
Value of Collateral: $_____

Amount of arrearage and other charges at time case filed included in secured claim, if any:

☒ Unsecured Non-priority Claim $(See Addendum)
A claim is unsecured if there is no collateral or lien on property of the debtor securing the claim or to the extent that the value of such property is less than the amount of the claim.

6. Unsecured Priority Claim.
☒ Check this box if you have an unsecured priority claim
Amount entitled to priority $ (See attached Addendum)
Specify the priority of the claim:
☐ Wages, salaries, or commissions (up to $4,650),* earned within 90 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier - 11 U.S.C. § 507(a)(3)
☐ Contributions to an employee benefit plan - 11 U.S.C. § 507(a)(4)
☐ Up to $2,100* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use - 11 U.S.C. § 507(a)(6)
☐ Alimony, maintenance, or support owed to a spouse, former spouse, or child - 11 U.S.C. § 507(a)(7)
☒ Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8)
☐ Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(__)
*Amounts are subject to adjustment on 4/1/04 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.

7. Credits. The amount of all payments on this claim has been credited and deducted for the purpose of making this proof of claim.
8. Supporting Documents: Attach copies of supporting documents, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, court judgments, mortgages, security agreements and evidence of perfection of lien. DO NOT SEND ORIGINAL DOCUMENTS. If the documents are not available, explain. If the documents are voluminous, attach a summary. (See attached Addendum)
9. Date-Stamped Copy: To receive an acknowledgment of the filing of your claim, enclose a self-addressed envelope and copy of this proof of claim.

THIS SPACE IS FOR COURT USE ONLY

Date: 3/03

Sign and print the name and title, if any, of the creditor or other person authorized to file this claim (attach copy of power of attorney, if any)
Travelers Casualty and Surety Company

By: _____
Jonathan B. Alter, Its Attorney

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

CS 1527078.1

ADDENDUM TO AMENDED PROOF OF CLAIM OF (A) TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA AND (B) TRAVELERS CASUALTY AND SURETY COMPANY AS ADMINISTRATOR FOR RELIANCE INSURANCE COMPANY (1) FOR ITSELF, (2) AS SUCCESSOR IN INTEREST BY MERGER WITH UNITED PACIFIC INSURANCE COMPANY, AND (3) FOR RELATED RELIANCE INSURANCE COMPANIES

This Amended Proof of Claim is filed pursuant to that certain Stipulation Resolving Debtor's Objections to Claims of Travelers Casualty and Surety Company [Claims Nos. 8869, 9911, 9912, and 11335] and Order Thereon (the "**Stipulation**") dated November 8, 2002, a copy of which is attached hereto as Exhibit A.

Travelers hereby asserts its claim for attorneys' fees under the Indemnity Agreements as a general unsecured claim against Pacific Gas and Electric Company as set forth on Exhibit B hereto. This Amended Proof of Claim supplements, and does not replace, Travelers' Proof of Claim dated September 4, 2001 (Claim No. 8869).

Travelers reserves the right to further amend its Proof of Claim as it becomes known, fixed and liquidated, and for other lawful purposes.

* * *

SJA19

EXHIBIT B

COLLECTION COSTS – BINGHAM McCUTCHEN LLP
(Redacted copies of invoices are available upon request)

Invoice	Date	Fees	Cost	Total
500967	3/30/2001	$ 252.00	$	$ 252.00
506682	5/17/2001	$ 1,320.00	$	$ 1,320.00
524042	9/19/2001	$ 1.695.00	$ 23.20	$ 1718.20
527148	10/24/2001	$ 1,183.00	$ 389.23	$ 1,572.23
532574	11/29/2001	$ 1,886.85	$ 229.73	$ 2,116.58
537583	12/20/2001	$ 5,963.40	$ 188.36	$ 6,151.76
540897	1/24/2002	$ 6,698.25	$5,334.79	$12,033.04
544871	2/21/2002	$10,697.85	$1,633.08	$12,330.93
549643	3/26/2002	$ 198.90	$2,109.34	$ 2,308.24
551658	4/23/2002	$ 2,430.90	$ 154.90	$ 2,585.80
557581	6/1/2002	$13,584.60	$ 960.62	$14,545.22
561283	6/27/2002	$48,216.15	$9,329.21	$57,545.36
564680	7/30/2002	$ 543.60	$3.493.51	$ 4,037.11

SJA20

Invoice	Date	Fees	Cost -	Total
568107	8/30/2002	$15,820.20	$ 665.95	$16,486.15
571226	9/30/2002	$ 4,468.95	$ 288.20	$ 4,757.15
574910	10/30/2002	$ 3,186.45	$ 655.20	$ 3,841.65
577387	11/18/2002	$ 5,992.65	$ (2,323.40)	$ 3,669.25
581586	12/20/2002	$11,731.95	$ 4,937.13	$16,669.08
WIP		$ 3,360.50	$ 393.33	$ 3,753.83
TOTAL				**$167,693.58**

SJA21